

**MINUTES OF THE  
COMMERCE AND WORKFORCE SERVICES  
APPROPRIATIONS SUBCOMMITTEE**  
Room S210, Senate Building, State Capitol Complex  
February 2, 2009

**MEMBERS PRESENT:** Rep. Michael Morley, Co-Chairman  
Sen. Dan Liljenquist  
Sen. Karen Mayne  
Rep. Jim Bird  
Rep. Susan Duckworth  
Rep. Jim Dunnigan  
Rep. Lynn Hemingway  
Rep. Brian King

**MEMBERS EXCUSED:** Sen. David Hinkins, Co-Chairman  
Rep. Ryan D. Wilcox

**STAFF PRESENT:** Danny Schoenfeld, Fiscal Analyst  
Karen Mitchell, Committee Secretary

**Note:** A list of handouts and visitors lists will be filed with committee minutes.

Co-Chair Rep. Morley called the meeting to order at 2:15 p.m.

Danny Schoenfeld, Fiscal Analyst, explained the Budget Analysis Book for 2009 that had been provided for each committee member. He then presented an overview of the contents in the book. One area he specifically mentioned was the Balanced Budget Proposal that had been approved that morning.

**Department of Alcoholic Beverage Control**

The Analyst began the budget brief by discussing the Department of Alcoholic Beverage Control.

The Department must pay for previously approved bonding projects, for the new and newly renovated stores, in the amount of \$637,000. This funding would come from the Liquor Control Fund.

The Department is also asking for an additional 32 Full Time Equivalent (FTEs) to staff stores in various locations at a cost of \$1,144,000.

In addition, the Department is asking for a package agency increase and cost of living increase for package agencies in the amount of \$151,600. Package agencies are operated by private

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individuals or corporate entities under contract with the state for the purpose of selling packaged liquor, wine and beer to the general public for off premise consumption.

The Analyst explained that the Department of Alcoholic Beverage Control (DABC) receives the majority of its revenue from the Liquor Control fund. The total base budget that the committee will be asked to approve for DABC totals \$29 million for continuing operations moving into fiscal year 2010.

Time was turned over to the Department Director, Dennis Kellen and John Freeman, Deputy Director. Mr. Kellen also recognized Leonard Langford, Budget Director, in attendance. Mr. Kellen explained to the committee that all expenses to operate their agency are paid for by customers that purchase their products. All revenue from the Department goes into the Liquor Control Fund. They are projecting \$282 million in sales from State Liquor Stores and Package Agencies which will produce a net return of \$106 million that benefit all citizens through the General Fund, School Lunch Program and Sales Tax distribution.

Mr. Freeman further explained that cutting dollar amounts in their budget will reduce store hour times of operation. When store hours are cut, sales are reduced thus profits are reduced. He further listed the location of the seven new stores that are to open this year.

The Deputy Director reinforced the need for the requested budget increase for the package agencies. These agencies receive an operating budget only. He used the example of the American Fork package agency that made \$1.8 million in sales last year. The woman that operates the store receives \$95,000 for salaries, insurance, rent, utilities and all other expenses.

Mr. Kellen and Mr. Freeman responded to questions from the committee.

### **Department of Financial Institutions**

The Analyst explained to the committee that the Financial Institutions received the majority of its revenue from the Restricted. They have a budget of approximately \$6 million and 54 employees. They are not asking for any increases in their budget but approval from the committee for the 2010 budget of approximately \$6.1 million will need to be taken.

Ed Leary, Commissioner and Michael Jones, Chief Examiner, further explained and supported the Analysts recommendations.

### **Public Service Commission**

The Analysts briefed the committee on the budget details for the Commission. The Commission oversees the Universal Public Telecom Service Fund which ensures that all citizens have access to affordable telecommunications. It does so by subsidizing costs in rural areas. In addition the

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Speech and Hearing Impaired Program provides telecommunication access twenty-four hours a day to hearing or speech impaired persons through Relay Utah. The Commission loans specialized telecommunications equipment to individuals who have hearing or speech barriers. The Public Service Commission receives the majority of its revenue from Restricted Revenue.

The Analyst explained that the Commission has an agreement with the Wexpro that calls for Wexpro to pay \$60,000 annually for outside consultants to monitor operations to make sure activities conform to the agreement. The monitors operate under direction of the Division of Public Utilities and he recommends transferring this part of the budget to the Division of Public Utilities in the Department of Commerce. The Department of Commerce agrees with this action.

The Public Service Commission is requesting a supplemental appropriation of \$200,000 in Fiscal Year 2009 from the Commerce Service-Public Utility Regulatory Fund for the development and maintenance of a new document management system, making all legal and public documents immediately available on the web.

The Analyst also stated that the Public Service is asking for non-lapsing authority for Fiscal Year 2010.

Ted Boyer, Chairman and Julie Orchard, Budget Officer provided the committee with a handout.

Mr. Boyer explained to the committee their need for the budget increases as explained by the Analyst. He further explained the need for the document management system and how they will implement it into use.

Ms. Orchard further explained the document management system to the committee.

Mr. Boyer responded to questions from the committee.

MOTION: Rep. Hemingway moved to adjourn. The motion passed unanimously.

Rep. Morley adjourned the meeting at 3:03 p.m.

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